

# **Local Member Benefits**

*California Public Employees' Retirement System*

### ✕ Important

This symbol means that a benefit may or may not apply to you, depending on your employer's contract with CalPERS. If you see this symbol, check with your employer to see if the benefit has been provided for you.

### Workshops And Seminars

CalPERS offers a Retirement Planning Workshop to assist you when planning for your retirement. We also offer two types of Financial Planning Seminars: Achieving Financial Security is designed for members more than 10 years from retirement; and Retirement and Estate Planning is designed for members less than 10 years from retirement.

### Your Contributions

As a CalPERS member under this formula, a portion of your monthly pay is deducted each month and put into the retirement fund. The amount of your contributions, and the interest earned, is shown on your CalPERS Annual Member Statement. Your employer contributes a substantial amount each month on your behalf. However, this amount is not shown in your statement as it is placed in a separate account. CalPERS uses your contributions and those of your employer, as well as income from investments, to pay for your benefits. Your contributions will remain on deposit as long as you work for a CalPERS-covered employer.

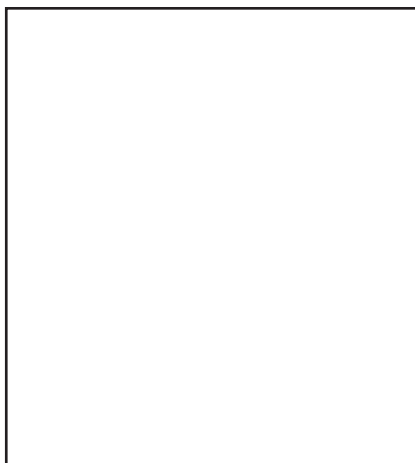
### Changing Jobs

If you leave your present job, you may leave your contributions on deposit, or you may request a refund of your contributions and interest. If you elect a refund, 20 percent federal withholding is mandatory, unless you request your refund be directly rolled over into a qualified defined contribution plan or an Individual Retirement Account (IRA). Remember, if you leave your contributions on deposit with CalPERS, you will continue to earn

interest at the current interest crediting rate. You may then later apply for a refund (see below) or retirement (if you meet service and age requirements).

You cannot receive a refund if one of the following conditions applies:

1. you have entered CalPERS-covered employment;
2. you have accepted a position covered by the State Teachers', Legislators', Judges' Retirement System, or Judges' Retirement System II;



3. you entered employment, within six months of leaving your CalPERS job, with a California public retirement system that has reciprocity with CalPERS. Reciprocity is an agreement between CalPERS and certain other systems that permits movement of members to and from CalPERS without the loss of certain retirement rights. For more information Please see our brochure, **When You Change Retirement Systems** (PERS-PUB-16), or contact CalPERS Member Services Division for information on reciprocity.

A refund terminates your CalPERS membership and you will not be eligible for any benefits unless you return to CalPERS membership.

### Redepositing Withdrawn Contributions

If you return to CalPERS membership, you may redeposit your contributions, plus interest, and restore corresponding service credit. You may also redeposit your contributions if you become a member of another California public retirement system which has reciprocity with CalPERS. This does not apply to all systems; please contact CalPERS for more information.

### To Receive An Estimate

If you are considering retirement within three to five years and you are at least age 47, CalPERS can prepare an estimate of your allowance for you and mail it to your home. This will tell you approximately what your allowance would be under the options available to you. You may request an estimate by mail by completing a **Retirement Allowance Estimate Request** (PERS-BAS-1). This form is available from your employer or CalPERS. You may also request an estimate by telephone to the Regional Office near you (see back cover for addresses and telephone numbers). We'll need to know:

- your name;
- birthdate;
- Social Security number;
- mailing address;
- tentative date(s) of retirement;
- your beneficiary's birthdate and his/her relationship (if you want estimates for Options 2, 2W, 3, 3W, or 4); and
- whether you have ever received a CalPERS monthly allowance.

If your employer provides the survivor continuance benefit, tell us:

1. if you have a spouse to whom you will have been married for at least one year prior to your effective date of retirement, or if no such spouse;

2. unmarried children under age 18, or any unmarried child who was disabled prior to age 18 and has remained disabled continuously since then, or if no such children;
3. dependent parents.

Remember, you must still file an application for retirement if you want to retire (see the section on Applying for Retirement).

If you want to estimate your own retirement allowance, please refer to your formula booklet.

### Choosing A Retirement Plan

At retirement you may choose to receive the highest allowance (called the unmodified allowance), or you may take a reduction and choose one of four optional settlements. These are explained in your formula booklet.

✘ Regardless of the retirement plan you choose, upon your death CalPERS will pay a \$500 retired member death benefit to a named beneficiary. (An agency may change its contract to provide \$600 for this benefit.)

### Applying For Retirement

You must complete and file with CalPERS an **Application For Retirement** (PERS-BAS-369). This form is available from your personnel office. You may, at that time, request calculations for the unmodified allowance and all the options.

To ensure timely processing, your application should be submitted to CalPERS at least 90 days before you intend to retire. The retirement law provides that a member's effective retirement date can be no earlier than the first of the month in which the application is received at CalPERS, except in special circumstances.

If you are a member of a retirement system that has reciprocity with CalPERS you will need to submit a separate retirement application to both retirement systems. For further information on reciprocity, please see the CalPERS brochure, **When You Change Retirement Systems** (PERS-PUB-16).

If you are married, you may be asked to provide a copy of your marriage certificate. If you plan to name a beneficiary to receive a monthly allowance, you will also have to present proof of your beneficiary's date of birth. Copies of required documents are acceptable.

In the month before your retirement date, you should receive an **Election Of Optional Settlement And Beneficiary Designation**, (PERS-BAS-898). Read this information carefully and fill it out completely. You must select one of the optional settlements or the unmodified allowance, sign the form in the presence of a notary public or an authorized CalPERS representative, and return it to CalPERS headquarters in Sacramento.

### Other Considerations

#### ✘ Health Insurance

Check with your employer to find out what kind of health insurance you have and if you're covered by the Public Employees' Medical and Hospital Care Act (PEMCHA).

Not covered under PEMCHA: Ask your health benefits officer about keeping your present health care insurance or getting a new plan. It is important you do this before your retirement date.

Covered under PEMCHA: If you are currently covered and are having deductions taken from your paycheck, you may continue your health insurance into retirement.

If you retire within 30 days after separation from employment, your CalPERS-administered health plan will automatically continue.

If you retire more than 30, but within 120 days, of separation from employment, your health coverage will not automatically continue. You are, however, eligible to re-enroll in your health plan. To do so, contact the CalPERS Health Benefits Division as soon as you are advised of your retirement date.

If your effective date of retirement is more than 120 days after separation from employment, or you are not enrolled at the time of separation, you are not eligible to be enrolled at retirement or any future date.

If upon retirement you are eligible for Social Security Medicare benefits (after age 65), State law prohibits your continued enrollment in the "basic" plan. You must enroll in the Supplement To Medicare or Managed Medicare portion of the CalPERS-sponsored plan you are enrolled in. Contact the CalPERS Health Benefit Services Division or a Regional Office immediately after receiving your federal Medicare card to determine your eligibility and coordinate the effective date of your coverage change.

If you do not apply for retirement at least 90 days before you intend to retire or you are aware of a delay in receiving your first retirement check, you should contact your personnel office to discuss making direct payments for your health insurance. The direct payments will insure continuation of services and/or claim payments for your current PEMCHA coverage. You will be reimbursed for the direct payment amounts by the plan as soon as the payments are made by CalPERS.

If your family members are included in your CalPERS-administered health plan at the time of your death, their enrollment will be continued automatically, provided they receive a monthly allowance sufficient to cover their share of the cost, if any, or pay the difference between the employer's contribution and the total premium amount.

Surviving family members' eligibility for health coverage can change due to various circumstances. For example, a spouse who is receiving a 1959

Survivor Benefit may experience an interruption in health coverage due to loss of eligibility for dependent children. The spouse may re-enroll upon regaining eligibility at age 62.

For more information on eligibility, refer to your health benefits booklet or call the CalPERS Health Benefits Services Division.

### **Cost-Of-Living Adjustments**

A special provision in your retirement plan allows for cost-of-living increases. The first increase will be made in the second calendar year following your retirement, and annually thereafter. Currently, these increases are limited to a maximum of 2 percent compounded annually, unless your employer has contracted to provide a 3, 4, or 5 percent increase.

### **Inflation Protection**

Added protection against inflation is provided by the Purchasing Power Protection Account (PPPA), created to restore an annuitant's monthly allowance to 75 percent of its original purchasing power.

You will automatically receive PPPA supplemental payments (paid quarterly) if your allowance falls below the 75 percent purchasing power level and there are funds in the PPPA account. It usually takes about 10 years after retirement before becoming eligible for PPPA payments.

### **Temporary Annuity**

Temporary annuity is an additional monthly income you may choose to receive to augment your pension from CalPERS. This additional benefit may enable you to coordinate your CalPERS benefit with other income sources you may receive such as deferred compensation or Social Security.

The temporary annuity benefit is payable from your retirement date to a specific age that you select – 59½ or any whole age from 60 to 68. You may also name the dollar amount you wish to receive within certain limitations. It is important to note that this benefit is **not free**. Your CalPERS lifetime retirement allowance is reduced to pay for your temporary annuity.

In order to be eligible for temporary annuity benefits you must retire with a service retirement. **You are not eligible for the temporary annuity benefit if you retire for disability.**

For more information on the qualifications, costs, and benefits under this plan, see our brochure **Temporary Annuity** (PERS-PUB-13).

### **Taxes**

Your benefits will be subject to both State and federal tax withholding. You will be given the opportunity to make an election regarding withholding.

After your retirement, CalPERS will send you an annual statement of benefits paid to you during the year. Information on the taxability of your retirement allowance is available from the Internal Revenue Service and State Franchise Tax Board. You may also want to contact your private tax consultant or attorney about your income tax liability.

### **Social Security**

If you have ever contributed to Social Security, check with your local Social Security office to determine what your benefits may be under that program.

### **Working After Retirement**

After your service retirement, you may work for private industry or any non-CalPERS agency with no reduction or effect on your retirement allowance.

Before you enter into CalPERS-covered employment, check with CalPERS on how this would affect your retirement status.

If you retire for disability, outside employment may reduce your allowance. See our brochures **Disability Retirement** (PERS-PUB-10) and **Industrial Disability Retirement** (PERS-PUB-11) for more information.

### **Reinstatement To Membership**

If you wish to accept employment requiring membership in CalPERS, you must be reinstated from retirement.

The retirement law requires that CalPERS approve your reinstatement before it becomes effective. You will have to comply with certain requirements to be reinstated. When your reinstatement becomes effective, you will stop receiving your allowance until you retire again. Reinstatement will affect future benefit payments and cost-of-living allowances. For more information, please contact CalPERS Benefit Services Division prior to reinstating.

### **✕ Sick Leave Credit**

At retirement, any unused sick leave you have will be converted to additional service credit (the additional service will not change your age at retirement). You will receive credit for each day of unused sick leave certified by your employer. It takes 250 days of sick leave to receive one year's service credit. For example, if your employer certified 120 days, your additional credit would be  $120 \div 250$ , or .480 of a year's service credit. This adjustment is calculated after your retirement and paid retroactively to your retirement effective date.

To receive sick leave credit, your retirement date must be within 120 days from the date of separation from the employer granting the sick leave credit.

### **Changing Beneficiaries After Retirement**

You may change your designation for Option 1, the retired death benefit, or any unpaid temporary annuity payments at any time by filing with CalPERS a **Beneficiary Designation For Death Benefits After Retirement** (PERS-PRS-509).

A change in your marital status, the birth or adoption of a child, or the death of your named beneficiary may, by law, change your beneficiary designation. Please contact CalPERS for more information.

### **Re-election Of Option After Retirement**

There are certain limited situations under which you may re-elect an option after retirement. Such re-election could result in a reduction to your allowance. These include:

- If at retirement you choose to receive the unmodified or Option 1 allowance, you may elect to receive an optional settlement naming your spouse as beneficiary. Contact CalPERS for the most current provisions of the law.
- If at retirement you choose to receive Option 2, 2W, 3, 3W or 4, and your beneficiary dies, or you marry, you may elect to receive an optional settlement and name a new beneficiary. If at retirement you name your spouse as beneficiary and there is a change in your marital status, contact CalPERS immediately for the most current provisions of the law.

### **Power Of Attorney**

CalPERS has a durable special power of attorney form for use by members and beneficiaries. This durable special power of attorney enables the member or beneficiary to appoint another individual to deal with CalPERS on your behalf. This appointed individual may select a retirement option and/or a beneficiary, change the mailing address, sign tax withholding forms, and conduct other retirement business on behalf of the person making the appointment. Because of the broad power granted by the special power of attorney, CalPERS recommends that you consult an attorney prior to signing this document.

The power of attorney will not lapse should you subsequently become mentally incapacitated, unless you specify on the form that the power of attorney terminate at some point after you become mentally incapacitated. If a member or beneficiary becomes mentally incapacitated and a power of attorney form has not been completed, a conservator of the estate may be required by CalPERS before any necessary CalPERS business can be conducted on behalf of that member or beneficiary. For more information please see our brochure **The Power Of Attorney** (PERS-PUB-30).

Please note that for many purposes, CalPERS will not accept powers of attorney which are not on the CalPERS form. Even if you have already signed a power of attorney document, you should obtain and sign the power of attorney form provided by CalPERS. The laws regarding powers of attorney change from time to time, making it important to have a current power of attorney form on file with CalPERS. These forms may be obtained from CalPERS.

**Your  
Member  
Booklet**



## **CalPERS Headquarters Telephone Information Centers**

Annual Member Statements	(916) 326-3141
Refund Of Contributions	(916) 326-3848 or (800) 352-2238
Death Notification	
Active Member	
Retiree	
Health Benefits	(800) 237-3345
Redeposits And Additional Service Credit	(916) 326-3141

These numbers are available to leave an inquiry 24 hours a day, seven days a week.

### **TDD Numbers**

Information	(916) 326-3000
Benefits Information	(916) 326-3240

### **FAX Numbers**

Benefit Services Division	(916) 326-3933
Health Benefit Services Division	(916) 326-3935
Member Services Division	(916) 558-4019
Field Services Division	
Fresno Regional Office	(209) 433-0196
Los Angeles Regional Office	(310) 231-3480
Mountain View Regional Office	(650) 428-0279
Orange County Regional Office	(714) 935-2628
Sacramento Regional Office	(916) 326-3176
San Bernardino Regional Office	(909) 383-6882
San Diego Regional Office	(619) 220-5457
San Francisco Regional Office	(415) 396-9776

Please Note: when corresponding with the System, always include your Social Security number in your letters and on your documents for identification purposes.

## **CalPERS Addresses**

### **Sacramento Regional Office (Headquarters)**

Lincoln Plaza, 400 P Street,  
Room 1490  
Sacramento, CA 95814  
Telephone: (916) 326-3630

### **Los Angeles Regional Office**

11766 Wilshire Blvd., Suite 1600  
Los Angeles, CA 90025  
Telephone: (310) 231-3464

### **San Francisco Regional Office**

301 Howard St., Suite 2020  
San Francisco, CA 94105  
Telephone: (415) 396-9700

### **Fresno Regional Office**

10 River Park Place East, Suite 230  
Fresno, CA 93720  
(209) 433-0164

### **Orange County Regional Office**

500 North State College Blvd.,  
Suite 750  
Orange, CA 92868  
Telephone: (714) 935-2625

### **San Bernardino Regional Office**

Lakeside Tower, 3rd Floor  
650 East Hospitality Lane, Suite 330  
San Bernardino, CA 92408  
Telephone: (909) 383-4431

### **San Diego Regional Office**

7676 Hazard Center Dr., Suite 350  
San Diego, CA 92108  
Telephone: (619) 220-5454

### **Mountain View Regional Office**

650 Castro Street, Suite 240  
Mountain View, CA 94041  
Telephone: (650) 428-0112

### **CalPERS On-Line**

<http://www.calpers.ca.gov>

#### **About the cover:**

#### ***Aggregating Anemone; Anthopleura elegantissima***

Colonies of the Aggregating Anemone can be found upon pilings, rocks and in tide pools all along California's coastline. Looking like a carpet of fleshy flowers when in search of food, these anemones contract into tight balls when danger threatens. They can be found covered with a light coating of sand or gravel.

Here is your California Public Employees' Retirement System (CalPERS) member benefit booklet. This two-part booklet tells you about your retirement program. The outside portfolio contains information on contributions, health insurance, and other considerations. The booklet inside tells you about your specific formula and benefits. It will help you choose the best retirement plan for you and your beneficiaries. As you think about retirement, you should get a copy of our **Planning Your Service Retirement** (PERS-PUB-1) brochure, available from your personnel office.

We urge you to attend a retirement planning workshop several months before you retire to help with this decision. Your personnel office can help you arrange an appointment at the nearest CalPERS office or with CalPERS staff who travel to your area.

We hope this booklet will help you understand your retirement program and the benefits it provides you and your beneficiaries.

*While reading this material, remember that we are governed by the Public Employees' Retirement Law. The statements in this booklet are general. The retirement law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.*



**Local Safety**

**2.5% at 55**





While reading this material, remember that we are governed by the Public Employees' Retirement Law. The statements in this booklet are general. The retirement law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

### **Definition**

"Local safety" members are those employed by a public agency or special district that has contracted with CalPERS who are involved in law enforcement, fire suppression, the protection of public safety, or in a position designated by law as a local safety member.

### **✕ Important**

This symbol means that a benefit may or may not apply to you, depending on your employer's contract with CalPERS. If you see this symbol, check with your employer to see if the benefit has been provided for you.

### **Notice**

Section 415 of the Internal Revenue Code places limits on the annual benefit you can receive from a tax-qualified pension plan such as CalPERS. Under Section 415, the maximum annual benefit payable if you retire at Social Security normal retirement age is the lesser of the following:

1. 100% of your highest consecutive three years of taxable W-2 earnings, or
2. \$118,800 (indexed annually for inflation and reduced for early retirement).

If you first became a CalPERS member **prior** to January 1, 1990 your benefit, under certain circumstances, may exceed these limits.

If at retirement CalPERS finds that your benefit must be limited under Section 415, CalPERS will enroll you in a replacement benefit program and pay a monthly amount that will, to the extent possible, make up the amount your CalPERS benefit is limited.

### **Please Note:**

The information in this booklet applies to those retiring January 1, 1995 or later. If you are retiring before that date, please contact CalPERS.

## Pre-Retirement Death Benefits

If you die before you retire, CalPERS provides several benefits for your family or the beneficiary(ies) named by you. You should discuss the different choices CalPERS offers with your beneficiary. For your convenience we have divided the pre-retirement death benefits into two categories: **Not Job-Related Death** and **Job-Related Death**.

A note to those who have separated from CalPERS-covered employment: upon your death, your beneficiary will receive the limited death benefit (a refund of your contributions plus interest). No other benefit will be payable, except as provided by law under special circumstances. The limited death benefit will be paid to beneficiaries in the following order: (1) your named beneficiary\*, or (2) spouse, or (3) children, or (4) parents, or (5) brothers and sisters, or (6) your estate if probated, or (7) next of kin as provided by law.

**\*Named Beneficiary.** To designate a beneficiary, or update an earlier designation, you must fill out a **CalPERS Beneficiary Designation** (State Form 241). This form is available through your employer or CalPERS. Certain death benefits allow you to name anyone you choose as a beneficiary. If you name a beneficiary and then (1) marry, annul or dissolve your marriage, (2) have a child or adopt a child, or (3) terminate your employment and receive a refund of your CalPERS contributions, your designation will, by law, be revoked. Should any of the above events take place, check with CalPERS about updating your beneficiary designation.

## Not Job-Related Death

**Not Eligible To Retire:** Under age 50, or age 50 or over with less than five years of CalPERS-credited service

Benefit	Amount Payable
<b>Basic Death Benefit</b>	<p>Your beneficiary will receive a lump sum payment of:</p> <ol style="list-style-type: none"><li>1. a refund of your contributions, plus interest, and</li><li>2. up to six months' pay (one month's salary rate for each year of current service to a maximum of six months).</li></ol> <p>Your beneficiary would be determined as follows:</p> <ol style="list-style-type: none"><li>1. your named beneficiary, or if none,</li><li>2. spouse, or if none,</li><li>3. your children, or if none,</li><li>4. parents, or if none,</li><li>5. brothers and sisters, or if none,</li><li>6. estate if probated, or if not,</li><li>7. next of kin as provided by law.</li></ol>
<b>1959 Survivor Benefit (If Applicable)</b>	<p><b>And</b></p> <p>Applicable only for members not covered under Social Security while employed under a CalPERS-covered agency. Please see page 4 for the details.</p>

## ●

### Not Job-Related Death

**Eligible To Retire:** Age 50 or over with a minimum of five years of CalPERS-credited service.

Benefit	Amount Payable
<b>Option Settlement 2 Death Benefit</b>	<p>Your spouse, if married for more than one year, will receive a monthly allowance equal to the amount you would have received if you had retired for service on the date of your death and elected Option 2W. The benefit is payable to your spouse until death or remarriage. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18.</p> <p>Your spouse may elect to receive a reduced allowance which would not end upon remarriage.</p> <p>✗ Your employer must contract for this benefit.</p>
<b>1957 Survivor Benefit</b>	<p><b>Or</b></p> <p>This benefit provides a monthly allowance equal to ½ of what your highest service retirement allowance would have been had you retired on the date of your death. Those eligible to receive this allowance are:</p> <ol style="list-style-type: none"> <li>1. your spouse (if married at least one year before your death), until death or remarriage, or</li> <li>2. your natural or adopted unmarried children under age 18 (if you have no eligible spouse).</li> </ol> <p>Your spouse may elect to receive a reduced allowance which would not end upon remarriage.</p> <p>✗ Your employer may contract to provide that the full allowance continues after remarriage.</p>
<b>Basic Death Benefit</b>	<p><b>Or</b></p> <p>The Basic Death Benefit will be paid if:</p> <ol style="list-style-type: none"> <li>1. no one is eligible for the monthly allowance above, or</li> <li>2. someone who is eligible for the monthly allowance above chooses instead to receive the Basic Death Benefit.</li> </ol> <p>Your beneficiary will receive a lump sum payment of:</p> <ol style="list-style-type: none"> <li>1. a refund of your contributions plus interest, and</li> <li>2. up to six months' pay (one months salary rate for each year of current service to a maximum of six months).</li> </ol> <p>Your beneficiary would be determined as follows:</p> <ol style="list-style-type: none"> <li>1. your spouse (if married for at least one year), or if no eligible spouse,</li> <li>2. unmarried children under age 18, or if none,</li> <li>3. named beneficiary, or if none,</li> <li>4. your spouse (if married for less than one year), or if none,</li> <li>5. children other than those mentioned in 2 above, or if none,</li> <li>6. parents, or if none,</li> <li>7. brothers and sisters, or if none,</li> <li>8. estate if probated, or if not,</li> <li>9. next of kin as provided by law.</li> </ol>
<b>1959 Survivor Benefit (If Applicable)</b>	<p><b>And</b></p> <p>Not all members are covered by this benefit. See page 4.</p>

## Job-Related Death

### Eligible To Retire Or Not

Benefit	Amount Payable
<b>Special Death Benefit</b>	<p>Your surviving spouse or children may receive a monthly allowance equal to <math>\frac{1}{2}</math> of your final compensation (see page 6). If the cause of death is some external violence or physical force while on the job, and there are eligible surviving children in addition to your spouse, the allowance may be increased to a maximum of 75%.</p> <p>The Special Death Benefit is payable to your surviving spouse until death or remarriage, or to your unmarried children until age 22. To be eligible for this benefit, your spouse must have been married to you prior to the onset of the injury or illness which resulted in your death. Your spouse may elect to receive a reduced allowance which would not end upon remarriage.</p> <p>✗ Your employer may contract to provide that the full allowance continues after remarriage.</p>
<b>Basic Death Benefit</b>	<p><b>Or</b></p> <p>The Basic Death Benefit will be paid if:</p> <ol style="list-style-type: none"><li>1. there are no eligible survivors for the Special Death Benefit, or</li><li>2. the person eligible for the Special Death Benefit chooses instead to receive the Basic Death Benefit.</li></ol> <p>Your beneficiary will receive a lump sum payment of:</p> <ol style="list-style-type: none"><li>1. a refund of your contributions, plus interest, and</li><li>2. up to six months' pay (one month's salary rate for each year of current service to a maximum of six months).</li></ol> <p>Your beneficiary would be determined as follows:</p> <ol style="list-style-type: none"><li>1. your named beneficiary, or if none,</li><li>2. spouse, or if none,</li><li>3. your children, or if none,</li><li>4. parents, or if none,</li><li>5. brothers and sisters, or if none,</li><li>6. estate if probated, or if not,</li><li>7. next of kin as provided by law.</li></ol> <p><b>And</b></p>
<b>1959 Survivor Benefit (If Applicable)</b>	<p>Not all members are covered by this benefit. See page 4.</p> <p>If your survivors receive a monthly allowance for the Special Death Benefit, their 1959 Survivor Benefit will be reduced by the amount they receive every month for the Special Death Benefit. This means the only amount payable will be the amount which exceeds the Special Death Benefit.</p>

## **✕ 1959 Survivor Benefit**

This benefit is available only if your employer has contracted with CalPERS to provide it and you are not covered under Social Security. If you are covered under the 1959 Survivor Benefit, you will notice a \$2 deduction from your monthly paycheck.

The 1959 Survivor Benefit is paid along with the other death benefits whether or not you were eligible to retire at the time of death.

The benefit consists of a monthly allowance which may be paid to your eligible surviving spouse and children. A spouse is eligible, until remarriage, if he or she (1) has care of eligible children, or (2) is age 62 or older. (Children are eligible if under age 22 and unmarried.)

✕ Your employer may contract to provide this benefit when your spouse is age 60 or older.

A spouse may elect to receive a reduced allowance which would not end upon remarriage.

✕ Your employer may contract to provide that the full allowance continues after remarriage.

If your survivors receive a monthly allowance for the Special Death Benefit, their 1959 Survivor Benefit will be reduced by the amount they receive every month for the Special Death Benefit. This means the only amount payable will be the amount which exceeds the Special Death Benefit.

Eligible survivors may receive one of the following monthly allowances (higher amounts are payable if your employer has contracted for increased coverage):

1. a spouse, until remarriage, who has care of two or more eligible children; or three eligible children only \$430\*
2. a spouse, until remarriage, who has care of one eligible child; or two eligible children only \$360\*
3. one eligible child only; or spouse at age 62 or older until remarriage \$180
4. dependent parents may be eligible if there are none of the above. (each) \$180

\* Amounts may differ if all children are not in spouse's care.

## **Retirement Benefits**

### **Service Retirement**

To be eligible for service retirement you must be at least age 50 and have five years of CalPERS-credited service. There are some exceptions to the five-year requirement. Therefore, if you are 50 or older and have less than five years of service credit, you may want to contact an Area or Field Office to find out if an exception will apply to you. There is no compulsory retirement age for local safety members.

### **Disability Retirement**

There are two types of disability retirement. There is no minimum age requirement for either type. If the cause of your injury or illness is not related to your job, it is called "disability retirement". To qualify for this benefit, you must have at least five years of credited service. If the cause of the disability is job-related, then it is called "industrial disability retirement". There is no minimum service requirement for this benefit.

If you are considering applying for either type of disability, you should obtain our brochures **Disability Retirement** (PERS-PUB-10) and **Industrial Disability Retirement** (PERS-PUB-11).

### **Emergency Retirement**

CalPERS will expedite retirement processing for those who are terminally ill or facing imminent death. Contact CalPERS or your employer immediately if there is a need for emergency retirement.

## Estimating Your Service Retirement Allowance

There are three things you need to know to estimate your retirement allowance: service credit, benefit factor, and final compensation. These are described here, with an example and a space to estimate your own benefit on page 6. We recommend that prior to retirement you request an estimate from CalPERS.

If your CalPERS service is a combination of some service covered and some service not covered by Social Security, or if you have a combination of service under CalPERS with the state or a local agency, special consideration must be given to figure the amount of your benefit. You should request a formal estimate from CalPERS by completing a **Retirement Allowance Estimate Request** (PERS-BAS-1), available from your employer or any CalPERS office.

### Service Credit

In calculating your retirement allowance you will use your years of credited service. (Refer to your CalPERS Annual Member Statement for your current service credit and add planned future service.)

You may be entitled to additional service credit. Examples of possible additions to service credit are:

- unused sick leave at retirement
- redeposit of contributions you withdrew from CalPERS
- service with a CalPERS-covered employer prior to your date of membership
- service with a public agency prior to the date of that agency's contract with CalPERS
- certain types of leaves of absence, public service employment, or military service.

For further explanation and other types of service credit, see our brochure **Service Credit** (PERS-PUB-12) or contact the CalPERS Member Services Division.

### Benefit Factor

This is the percent of pay to which you are entitled for each year of service. It is determined by your age at retirement.

We have shown only whole years of age below. However, the benefit factor increases for each quarter year of attained age from 50 to 55.

Age At Retirement	Percent Per Year Of Service
50	2.000
51	2.100
52	2.200
53	2.300
54	2.400
55+	2.500

The percentage of pay to which you are entitled under the 2.5% at 55 formula cannot exceed 75% of your final compensation. If you have service under both the 2.5% at 55 formula and the 2% at 55 formula (local or state safety), the percentage under the two formulas combined cannot exceed 75% of final compensation.



## **Final Compensation**

Final compensation is your average monthly pay rate for the last consecutive 36 months of employment, or 12 months if your employer has contracted with CalPERS to provide one-year final compensation. If you think there was another period of 36 or 12 consecutive months when your average pay rate was higher, let us know when you apply for retirement. We will use whichever final compensation is higher.

If your CalPERS service was coordinated with Social Security, you did not contribute on the first \$133.33 of your monthly earnings. Therefore, when computing your retirement allowance, you must reduce your final compensation by \$133.33.

Certain items of special compensation **earned** during your final compensation period will be included in your final compensation in accordance with Board regulations. Contact the CalPERS Member Services Division if you are unsure which items of special compensation are includable.

## **Example**

Tom will be retiring at age 55 with 20 years of service

### **Step 1: Calculating Percent Of Final Compensation**

$$\frac{20}{\text{Years Of Service}} \times \frac{2.500\%}{\% \text{ Per Year Based On Age At Retirement (from table)}} = \frac{50.00\%}{\% \text{ Of Final Compensation}}$$

### **Step 2: Calculating Benefit Allowance**

Service not coordinated with Social Security

$$\frac{\$2,000.00}{\text{Final Compensation}} \times \frac{50\%}{\% \text{ Of Final Compensation (from Step 1)}} = \frac{\$1,000.00}{\text{Monthly Unmodified Allowance}}$$

Service coordinated with Social Security

$$\frac{\$1,866.67}{\text{Final Compensation (-\$133.33)}} \times \frac{50\%}{\% \text{ Of Final Compensation (from Step 1)}} = \frac{\$933.34}{\text{Monthly Unmodified Allowance}}$$

## **Your Case**

You will be retiring at age \_\_\_\_\_ with \_\_\_\_\_ years of service

### **Step 1: Calculating Your Percent Of Final Compensation**

$$\frac{\text{Years Of Service}}{\text{Years Of Service}} \times \frac{\% \text{ Per Year Based On Age At Retirement (from table)}}{\% \text{ Per Year Based On Age At Retirement (from table)}} = \frac{\% \text{ Of Final Compensation}}{\% \text{ Of Final Compensation}}$$

### **Step 2: Calculating Your Benefit Allowance**

Service not coordinated with Social Security

$$\frac{\text{Final Compensation}}{\text{Final Compensation}} \times \frac{\% \text{ Of Final Compensation (from Step 1)}}{\% \text{ Of Final Compensation (from Step 1)}} = \frac{\text{Monthly Unmodified Allowance}}{\text{Monthly Unmodified Allowance}}$$


Service coordinated with Social Security

$$\frac{\text{Final Compensation (-\$133.33)}}{\text{Final Compensation (-\$133.33)}} \times \frac{\% \text{ Of Final Compensation (from Step 1)}}{\% \text{ Of Final Compensation (from Step 1)}} = \frac{\text{Monthly Unmodified Allowance}}{\text{Monthly Unmodified Allowance}}$$

## **Survivor Continuance**

This benefit is available only if your employer has contracted to provide it and you have an eligible family member. This is a benefit paid for by your employer. It provides that upon your death, after retirement, a part of your monthly allowance will automatically continue to an eligible survivor.

Those eligible to receive this benefit are:

1. your spouse (if you were married for at least one year before your retirement and had remained married until the date of your death) will receive the continuance benefit for life or until remarriage.
-  Your employer may contract to provide this benefit for life, regardless of remarriage.
2. if you have no eligible spouse, then your natural or adopted unmarried children under age 18 will qualify. They will receive this monthly benefit until marriage or the attainment of age 18. An unmarried child who was disabled prior to age 18 and whose disability has continued without interruption, will receive this benefit until the disability ends or until marriage.
3. if none of the above, qualifying dependent parents.

If your service is not coordinated with Social Security, the continuance will be  $\frac{1}{2}$  of your unmodified allowance. If your service is coordinated with Social Security

the continuance will be  $\frac{1}{4}$  of your unmodified allowance. If you have some time covered and some time not covered under Social Security, or if you have a combination of service under CalPERS with the state or a local public agency, special consideration must be given to figure the amount of your continuance benefit. Contact your nearest CalPERS Area or Field Office or your employer for a **Retirement Allowance Estimate Request** (PERS-BAS-1).

Remember, Survivor Continuance will apply only if your employer has contracted to provide it and you have an eligible family member as of the date of your retirement.

## **Optional Settlements**

When you retire, you may choose to receive the unmodified allowance, or you can take a reduction to that allowance and choose one of the six options.

The unmodified allowance is the highest amount payable and provides a monthly benefit to you that ends upon your death. Each of the options provides a benefit to your named beneficiary after your death. Option 1 provides a lump sum payment of your remaining contributions. Option 2, 2W, 3, 3W or 4 provides a monthly allowance.

The reduction to your unmodified allowance depends on the option you choose.

**Option 1.** The reduction is based on your life expectancy at retirement and the amount of your contributions. You may name one or more beneficiaries and you may designate a new beneficiary at any time.

**Option 2 or 3.** The reduction is based on both your life expectancy at retirement and your beneficiary's. The younger your beneficiary, the greater the reduction. If you have someone eligible for Survivor Continuance, the reduction is applied only to the option portion of your allowance. You may name only one beneficiary and your designation may not be changed after retirement except under limited circumstances.

If your beneficiary dies before you, your allowance will increase to the higher unmodified allowance amount. Under certain circumstances you may not want to "buy" this coverage (e.g., you name a young child as a beneficiary). Therefore, you may waive this coverage **by electing Option 2W or 3W**, and take a lesser reduction to your unmodified allowance. CalPERS will provide you with calculations of all these choices when you apply for retirement.

**Option 4.** The reduction is based on the type of option you design. The amount to your beneficiary cannot be greater than that provided by Option 2W. Please refer to our brochure, **Retirement Option 4 Facts** (PERS-PUB-18), for examples of the types of allowances you may provide for your beneficiary.

The examples on the following pages provide more detail on the unmodified allowance and the options. The dollar amounts used show the relative cost of each option and are not representative of your case. If you have a family member eligible for Survivor Continuance, see the example on page 8; if not, skip to page 9.

## Example Of Optional Settlements With Survivor Continuance

Our example assumes your spouse is named beneficiary and is eligible for Survivor Continuance. We have also assumed that none of your service has been coordinated with Social Security and, therefore, the Survivor Continuance would equal ½ of your unmodified allowance.

	Retiree's Lifetime Allowance	Monthly Benefit To Surviving Spouse	
<b>Unmodified Allowance</b>			
The highest allowance payable after your death, your spouse will receive the Survivor Continuance benefit as provided in your employer's contract.	\$1,000.00	\$500.00	Survivor Continuance
<b>Option 1</b>			
After your death, your spouse will receive the Survivor Continuance benefit as provided in your employer's contract. Any of your remaining contributions will be paid in a lump sum to a beneficiary.	\$994.00	\$500.00	Survivor Continuance plus any remaining contributions
<b>Option 2*</b>			
After your death, your spouse will receive the option portion for life, and the Survivor Continuance benefit as provided in your employer's contract. If your spouse predeceases you, your allowance will continue at the unmodified amount.	\$450.00	\$450.00	Option Portion
	\$500.00	\$500.00	Survivor Continuance
	<u>\$950.00</u>	<u>\$950.00</u>	Total
<b>Option 2W*</b>			
After your death, your spouse will receive the option portion for life, and the Survivor Continuance benefit as provided in your employer's contract. If your spouse predeceases you, your allowance will continue at the Option 2W amount.	\$458.00	\$458.00	Option Portion
	\$500.00	\$500.00	Survivor Continuance
	<u>\$958.00</u>	<u>\$958.00</u>	Total
<b>Option 3*</b>			
After your death, your spouse will receive ½ of the option portion for life, and the Survivor Continuance benefit as provided in your employer's contract. If your spouse predeceases you, your allowance will increase to the unmodified amount.	\$475.00	\$237.00	Option Portion
	\$500.00	\$500.00	Survivor Continuance
	<u>\$975.00</u>	<u>\$737.00</u>	Total
<b>Option 3W*</b>			
After your death, your spouse will receive ½ of the option portion for life, and the Survivor Continuance benefit as provided in your employer's contract. If your spouse predeceases you, your allowance will continue as the Option 3W amount.	\$478.00	\$239.00	Option Portion
	\$500.00	\$500.00	Survivor Continuance
	<u>\$978.00</u>	<u>\$739.00</u>	Total
<b>Option 4</b>			
You may customize the type of allowance you want to provide to your spouse as long as the amount for your spouse is not more than the amount provided under Option 2W.			

Please refer to our brochure, **Retirement Option 4 Facts** (PERS-PUB-18) for examples of the types of allowances you may provide your beneficiary.

\* Although our example specifies spouse, you may designate anyone to receive the option portion of an allowance. The Survivor Continuance benefit is guaranteed to an eligible survivor after your death.

### Example Of Optional Settlements Without Survivor Continuance

	Retiree's Lifetime Allowance	Beneficiary's Monthly Allowance
<b>Unmodified Allowance</b> The unmodified allowance is the highest payable. Following your death, only the retired member death benefit will be paid to your named beneficiary.	\$1,000.00	None
<b>Option 1</b> After your death, any of your remaining contributions will be paid in a lump sum to your named beneficiary.	\$994.00	None
<b>Option 2</b> After your death, your beneficiary will receive the same monthly allowance you were receiving. If your beneficiary predeceases you, your allowance will increase to the unmodified amount.	\$900.00	\$900.00
<b>Option 2W</b> After your death, your beneficiary will receive the same monthly allowance you were receiving. If your beneficiary predeceases you, your allowance will continue at the Option 2W amount.	\$916.00	\$916.00
<b>Option 3</b> After your death, your beneficiary will receive a monthly allowance equal to ½ the amount you were receiving. If your beneficiary predeceases you, your allowance will increase to the unmodified amount.	\$949.00	\$475.00
<b>Option 3W</b> After your death, your beneficiary will receive a monthly allowance equal to ½ the amount you were receiving. If your beneficiary predeceases you, your allowance will continue at the Option 3W amount.	\$956.00	\$478.00
<b>Option 4</b> You may customize the type of allowance you want to provide to your beneficiary as long as the amount for your beneficiary is not more than the amount provided under Option 2W.		

## Local Safety Members

### 2.5% at 55 Formula

#### Exact Age And Percentage Of Final Compensation

Age	50	51	52	53	54	55+
Benefit Factor	2.00	2.100	2.200	2.300	2.400	2.500
Years Of Service						
5	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%
6	12.00%	12.60%	13.20%	13.80%	14.40%	15.00%
7	14.00%	14.70%	15.40%	16.10%	16.80%	17.50%
8	16.00%	16.80%	17.60%	18.40%	19.20%	20.00%
9	18.00%	18.90%	19.80%	20.70%	21.60%	22.50%
10	20.00%	21.00%	22.00%	23.00%	24.00%	25.00%
11	22.00%	23.10%	24.20%	25.30%	26.40%	27.50%
12	24.00%	25.20%	26.40%	27.60%	28.80%	30.00%
13	26.00%	27.30%	28.60%	29.90%	31.20%	32.50%
14	28.00%	29.40%	30.80%	32.20%	33.60%	35.00%
15	30.00%	31.50%	33.00%	34.50%	36.00%	37.50%
16	32.00%	33.60%	35.20%	36.80%	38.40%	40.00%
17	34.00%	35.70%	37.40%	39.10%	40.80%	42.50%
18	36.00%	37.80%	39.60%	41.40%	43.20%	45.00%
19	38.00%	39.90%	41.80%	43.70%	45.60%	47.50%
20	40.00%	42.00%	44.00%	46.00%	48.00%	50.00%
21	42.00%	44.10%	46.20%	48.30%	50.40%	52.50%
22	44.00%	46.20%	48.40%	50.60%	52.80%	55.00%
23	46.00%	48.30%	50.60%	52.90%	55.20%	57.50%
24	48.00%	50.40%	52.80%	55.20%	57.60%	60.00%
25	50.00%	52.50%	55.00%	57.50%	60.00%	62.50%
26	52.00%	54.60%	57.20%	59.80%	62.40%	65.00%
27	54.00%	56.70%	59.40%	62.10%	64.80%	67.50%
28	56.00%	58.80%	61.60%	64.40%	67.20%	70.00%
29	58.00%	60.90%	63.80%	66.70%	69.60%	72.50%
30	60.00%	63.00%	66.00%	69.00%	72.00%	75.00% <b>MAX</b>
31	62.00%	65.10%	68.20%	71.30%	74.40%	75.00% <b>MAX</b>
32	64.00%	67.20%	70.40%	73.60%	75.00% <b>MAX</b>	